

109TH CONGRESS
2D SESSION

S. 3647

To amend title XVIII of the Social Security Act to waive the monthly beneficiary premium under a prescription drug plan or an MA–PD plan during months in which an individual enrolled in such a plan has a gap in prescription drug coverage.

IN THE SENATE OF THE UNITED STATES

JULY 12, 2006

Mr. DORGAN (for himself, Mr. BINGAMAN, Ms. STABENOW, Mr. LAUTENBERG, Mr. JOHNSON, Ms. MIKULSKI, Mrs. CLINTON, Mr. MENENDEZ, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to waive the monthly beneficiary premium under a prescription drug plan or an MA–PD plan during months in which an individual enrolled in such a plan has a gap in prescription drug coverage.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prescription for Fair-
5 ness Act of 2006”.

1 **SEC. 2. WAIVER OF MONTHLY BENEFICIARY PREMIUM DUR-**
 2 **ING COVERAGE GAP.**

3 (a) IN GENERAL.—Section 1860D–13(a) of the So-
 4 cial Security Act (42 U.S.C. 1395w–113(a)) is amended
 5 by adding at the end the following new paragraph:

6 “(7) WAIVER OF MONTHLY BENEFICIARY PRE-
 7 MIUM DURING COVERAGE GAP.—

8 “(A) IN GENERAL.—During the period be-
 9 ginning on the date of enactment of the Pre-
 10 scription for Fairness Act of 2006 and ending
 11 on September 30, 2008, in the case of an indi-
 12 vidual enrolled in a prescription drug plan or an
 13 MA–PD plan which does not provide any cov-
 14 erage of benefits after the individual has
 15 reached the initial coverage limit under para-
 16 graph (3) of section 1860D–2(b) and before the
 17 individual has reached the annual out-of-pocket
 18 threshold specified in paragraph (4)(B) of such
 19 section, the following rules shall apply:

20 “(i) The individual is not responsible
 21 for payment of the monthly beneficiary
 22 premium (as computed under paragraph
 23 (2) and adjusted under paragraph (1))
 24 under such a plan for any month during
 25 which such coverage is not provided.

1 “(ii) The Secretary shall provide for
 2 payment of such monthly beneficiary pre-
 3 mium under such a plan on behalf of such
 4 an individual for any month described in
 5 clause (i). Such payment shall be made
 6 from the Medicare Prescription Drug Ac-
 7 count.

8 “(B) REFUND OF PREMIUMS PAID.—In the
 9 case of such an individual who pays the month-
 10 ly beneficiary premium under such a plan for a
 11 month during which such coverage is not pro-
 12 vided, the Secretary shall refund an amount
 13 equal to the premium paid. Such refund shall
 14 be made from such Account.”.

15 (b) CONFORMING AMENDMENTS.—Section
 16 1854(b)(1) of the Social Security Act (42 U.S.C. 1395w-
 17 24(b)(1)) is amended—

18 (1) in subparagraph (A), by inserting “and, if
 19 applicable, the waiver under subparagraph (D)”
 20 after “subparagraph (C)”;

21 (2) by adding at the end the following new sub-
 22 paragraph:

23 “(D) WAIVER OF MA MONTHLY PRESCRIP-
 24 TION DRUG BENEFICIARY PREMIUM.—During
 25 the period beginning on the date of enactment

of the Prescription for Fairness Act of 2006 and ending on September 30, 2008, the provisions of section 1860D–13(a)(7) shall apply to the MA monthly prescription drug beneficiary premium in the same manner as they apply to the monthly beneficiary premium under such section.”.

SEC. 3. REDUCTION OF MEDICARE ADVANTAGE REGIONAL PLAN STABILIZATION FUND AMOUNT.

(a) IN GENERAL.—Section 1858(e)(2) of the Social Security Act (42 U.S.C. 1395w–27a(e)(2)) is amended—

(1) in subparagraph (A)(i), by striking “There shall” and inserting “Subject to subparagraph (E), there shall”; and

(2) by adding at the end the following new subparagraph:

“(E) REDUCTION IN INITIAL FUNDING TO OFFSET COST OF WAIVER OF PRESCRIPTION DRUG PREMIUM.—The Secretary shall reduce the amount available under subparagraph (A)(i) by an amount equal to the Secretary’s estimate of the increased expenditures from the Medicare Prescription Drug Account by reason of the amendments made by section 2 of the Prescription for Fairness Act of 2006.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect as if included in the enact-
3 ment of section 221(c) of the Medicare Prescription Drug,
4 Improvement, and Modernization Act of 2003 (Public Law
5 108–173; 117 Stat. 2181).

